

FOR IMMEDIATE RELEASE  
September 10, 2007

Contact: John Diamond 973-3224 (mobile 949-4904)  
Peggy Markson 973-3245



## **UNIVERSITY OF MAINE SYSTEM GENERATES \$1.5 BILLION IN ECONOMIC IMPACT, NEW REPORT SAYS**

### **Maine's Public Universities Produce an Eight-to-One Return on State Investment**

FORT KENT—A new report states that the University of Maine System generates more than eight dollars of economic activity in Maine for every one dollar of State funds it receives.

The report was presented and discussed at Monday's meeting in Fort Kent of the University of Maine System Board of Trustees.

"Based on the \$184.7 million State appropriation it received [for the 2005-06 fiscal year], the University System generated \$8.10 in economic activity in Maine for every \$1 it received in State funding—in other words, an eight-to-one return on investment," explained University of Maine System Chancellor Richard L. Pattenau. "That's extraordinary by any standard."

"When you factor in the 'ripple effect' of those direct expenditures on both non-university employment and related sales of goods and services, the result is \$1.5 billion. To put this in context, the University System's \$1.5 billion in economic impact is greater than the record-high worldwide sales [net] that retailer L.L. Bean experienced for 2005," Pattenau noted. "That's impressive, given that the amount reflects only the University System's direct expenditures."

"The practical economic influence is even greater," Pattenau explained. "The total does not include indirect economic activity resulting from our universities' outreach work and assistance to Maine-based businesses, entrepreneurs, not-for-profit organizations, and others. Nor does the \$1.5 billion total reflect the economic impact of our 110,000 in-state alumni through their personal and career community involvement and activity."

The report was prepared by James H. Breece, an economist who serves as the University System's vice chancellor for academic and student affairs. Breece also serves on the State's non-partisan Revenue Forecasting Committee.

The \$1.5 billion figure was determined by using a standard model for calculating economic impact. The model combines the university system's total operational spending with related consumer spending and applies a multiplier effect to determine economic output.

According to the report, the University of Maine System received \$184.7 million in State appropriation for the fiscal year that ended June 30, 2006. That amount represented 31 percent of the System's total revenue. The remainder of its revenues came from student tuition and fees (30 percent), research and development grants and contracts (22.4 percent); room and board, sales, and services, and other miscellaneous sources (12.4 percent); and gifts, endowments, and investment income (4.1 percent).

-more-

In addition to those direct revenues and related expenditures, students and visitors to the universities spent \$170.2 million off-campus on consumer goods and services such as dining, recreation, and transportation.

Along with university-related employment and the salaries and wages it supports, the economic activity generated by the University of Maine System stimulated an additional 7,711 non-university jobs throughout Maine.

“These findings are eye-opening,” Pattenaude told trustees. “This new report indicates that, from a purely economic standpoint, the University System’s influence is much broader and more beneficial to our state than many people realize.”

The Breece report may be found in its entirety at [www.maine.edu/EconomicImpact2007](http://www.maine.edu/EconomicImpact2007) .

In other matters discussed at the Board meeting, Pattenaude presented a set of “multi-year efficiency initiatives” intended to reduce costs, reallocate savings to top-priority areas, and minimize tuition increases. According to Pattenaude, the efficiency initiatives will be developed on three parallel tracks: at the individual campus level; in collaboration with the Maine Community College System and Maine Maritime Academy; and at the System-wide Services (i.e., centralized) level. He outlined five long-term goals for the University System:

- Ensuring student success
- Enhancing Maine’s economy and quality of life
- Securing a financially sound, high-quality system of universities
- Advancing higher education as a public priority
- Demonstrating environmental leadership

Pattenaude said he will be elaborating on those goals in upcoming meetings and presentations around the state.

Also on Monday:

- The Board gave its approval to separate collective bargaining agreements reached with full-time faculty, professional staff, and with clerical, office, laboratory, and technical employees.
- The Board discussed the importance of voter approval of two bond proposals on the November statewide ballot: Question 2, the so-called jobs and economic development bond, which would make available \$50 million in competitive research and development grants; and Question 3, the higher education bond, which would provide funds to improve learning facilities at Maine’s public universities, community colleges, and Maine Maritime Academy.

Established in 1968, the 44,000-student University of Maine System is the state’s largest educational enterprise. It features seven universities – some with multiple campuses – located across the state, as well as 10 University College outreach centers, a law school, and an additional 75 interactive distance learning sites. For more information, log onto [www.maine.edu](http://www.maine.edu).